



# JOINT BUDGET COMMITTEE STAFF FY 2024-25 BUDGET BRIEFING SUMMARY

Colorado General Assembly  
Joint Budget Committee

## *Department of Labor and Employment*

The Department of Labor and Employment is responsible for administering unemployment insurance programs, supporting the state's system of one-stop workforce centers and workforce development programs, enforcing the state's labor laws, regulating workers' compensation insurance, administering vocational rehabilitation programs, inspecting a variety of industries from retail fuel locations to amusement park rides, and administering the family and medical leave insurance program. The Department's FY 2023-24 appropriation represents approximately 1.0 percent of statewide operating appropriations and 0.2 percent of statewide General Fund appropriations.

### FY 2023-24 APPROPRIATION & FY 2024-25 REQUEST

DEPARTMENT OF LABOR AND EMPLOYMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION:						
SB 23-214 (Long Bill)	\$404,053,995	\$31,852,323	\$152,198,025	\$24,238,463	\$195,765,184	1,705.2
Other legislation	4,231,661	3,237,364	744,297	0	250,000	19.2
<b>TOTAL</b>	<b>\$408,285,656</b>	<b>\$35,089,687</b>	<b>\$152,942,322</b>	<b>\$24,238,463</b>	<b>\$196,015,184</b>	<b>1,724.4</b>
FY 2024-25 REQUESTED APPROPRIATION:						
FY 2023-24 Appropriation	\$408,285,656	\$35,089,687	\$152,942,322	\$24,238,463	\$196,015,184	1,724.4
R1 ONA Expansion	150,425	150,425	0	0	0	1.5
R2 OFW Operations	96,547	0	96,547	0	0	0.7
R3 DLSS SWEEP Project	203,132	0	203,132	0	0	1.8
R4 Disability program navigator	500,000	0	500,000	0	0	1.0
R5 Blind and low vision services	164,643	35,069	0	0	129,574	1.8
R6 OJT Funding and date alignment	0	0	0	0	0	0.0
R7 Flex use of SSA reimbursement	0	0	0	0	0	0.0
R8 DVR adjustment to EFI appropriation	0	0	0	0	0	0.0
R9 ILC Common policy provider rate adjustment	132,085	132,085	0	0	0	0.0
Centrally appropriated line items	14,881,176	462,323	6,260,050	25,024	8,133,779	(1.0)
Annualize prior year legislation	4,869,569	(1,356,073)	77,842	0	6,147,800	5.1
Non-prioritized decision items	1,308,193	169,359	596,019	16,625	526,190	0.0
Indirect cost assessment	17,258	0	(139,487)	(3,062)	159,807	0.0
Annualize prior year budget actions	(476,698)	23,301	(499,999)	0	0	0.2
<b>TOTAL</b>	<b>\$430,131,986</b>	<b>\$34,706,176</b>	<b>\$160,036,426</b>	<b>\$24,277,050</b>	<b>\$211,112,334</b>	<b>1,735.5</b>
<b>INCREASE/(DECREASE)</b>	<b>\$21,846,330</b>	<b>(\$383,511)</b>	<b>\$7,094,104</b>	<b>\$38,587</b>	<b>\$15,097,150</b>	<b>11.1</b>
Percentage Change	5.4%	(1.1%)	4.6%	0.2%	7.7%	0.6%

**R1 ONA EXPANSION:** The Department requests an increase of \$150,425 General Fund for FY 2024-25 and \$144,298 in FY 2025-26 and ongoing to support 1.6 FTE in the Office of New Americans. This funding would cover 1.0 FTE for an Administrator to manage ONA grants, coordinate with other entities, and identify opportunities for new migrant career pathway enhancement. The other 0.6 FTE go towards an existing 0.4 FTE to create a full-time Program Assistant to support the ONA Director. This request is further discussed in the briefing issue on the Offices of New Americans and Future Work. *The Department identified this request as theory-informed.*

**R2 OFW OPERATIONS:** The Department requests an increase of \$96,457 in cash fund spending authority in FY 2024-25 and \$127,923 in FY 2025-26 from the Employment Support Fund to support 1.0 FTE for a Policy Research Manager to facilitate current and future studies on emerging work trends as well as coordinate the Thought Leader working group. This request is further discussed in the briefing issue on the Offices of New Americans and Future Work.

**R3 DLSS SWEEP PROJECT:** The Department requests an increase of \$203,132 in cash fund spending authority for FY 2024-25 and \$205,451 in FY 2025-26 and ongoing from the Wage Theft Enforcement Fund to support 2.0 FTE. This funding would allow for permanent implementation of the Strategic Wage Education with Employers Program (SWEEP). SWEEP is a pilot program the Division implemented beginning in FY 2022-23, to find inadvertent labor law violations and engage in outreach and compliance assistance to help employers remedy violations and avoid investigations or lawsuits. The Department reports the pilot program has been successful, and is requesting funding to create a permanent voluntary compliance unit, which will support employers in fixing violations to avoid fines and investigations. *The Department identified this request as theory-informed.*

**R4 DISABILITY PROGRAM NAVIGATOR:** The Department requests an increase of \$500,000 in cash fund spending authority from the Employment Support Fund in FY 2024-25 and ongoing to support 1.0 FTE. In partnership with the Division of Vocational Rehabilitation (DVR), this funding would allow reallocation of resources within DVR to allow the Division to draw down an additional \$1.8 million in federal funds through the federal match rate. This request would sustain the work of the Disability Program Navigator (DPN) Initiative, which places disability navigators in workforce centers to increase access to services and employment. This initiative is currently being funded through a mix of state and Federal Workforce Innovation and Opportunity Act (WIOA) funds. However, current and expected decreases in WIOA funding will impact the ability of the Department to continue the program. The Department believes this request would allow them to continue the DPN initiative as well as better leverage the DVR federal match rate to increase resources to support the employment of people with disabilities. *The Department identified this request as theory-informed.*

**R5 BLIND AND LOW VISION SERVICES:** The Department requests an increase of \$35,069 General Fund for FY 2024-25 and \$34,877 and 2.0 FTE for FY 2025-26 and ongoing to support an Administrative Assistant and Rehabilitation Counselor. The Administrative Assistant would support the administrative duties within the unit and increase outreach to the blind and low vision community, and the Rehabilitation Counselor would serve as an Orientation and Mobility/Vision Rehabilitation Therapy Specialist within the Blind and Low Vision Services' (BLVS) Personal Adjustment Training (PAT) unit. The PAT unit provides specialized training to assist people who are blind or visually impaired to become independent at home, in the community, and in employment. The Division is finding that BLVS cases are requiring increasing amounts of time and management as well as seeing increased demand for services overall, leading to longer standby lists. It is requesting additional FTE to help address the increasing wait times for services. *The Department identified this request as theory-informed.*

**R6 OJT FUNDING AND DATE ALIGNMENT [REQUIRES LEGISLATION]:** The Department requests that the JBC sponsor legislation to align expenditure deadlines for the Office of Just Transition. The General Assembly provided the Office with \$30.0 million dollars over the last few sessions, with half for action plan implementation and community support and the other half to directly support workers. There have been a number of bills increasing or adjusting funding for the Office, with differing expenditure deadlines that begin to expire after FY 2023-24. However, coal plants are not expected to start closing until 2025, and the Office has only been able to expend \$2.4 million so far. The Department is requesting language be added to statute requiring the funding to be expended or encumbered by FY 2026-27, as well as making other adjustments to the language in statute to clarify the purposes of the funding which have been reflected somewhat differently in different bills.

**R7 FLEX USE OF SSA REIMBURSEMENT:** The Department requests a net zero realignment of Federal Social Security Reimbursement (SSA) funds, which would decrease federal SSA funding by \$0.8 million and increase:

- Older Blind Grants (OIB) by \$0.1 million in order to increase contracts for the provision of services across Colorado; and
- Independent Living Services (ILS) by \$0.7 million to restore the 9.3 percent cut in General Fund ILS absorbed in FY 2020-21.

Currently, the Department's Long Bill restricts the spending authority of the ILS and OIB programs to the General Fund and each program's respective Federal Grant awards, limiting DVR's ability to transfer available Social Security reimbursements. However, under federal law DVR has the authority to allocate this funding between these programs. Providing DVR more flexibility will allow them to increase funding to programs as needed and allow DVR to draw down more Federal VR grant dollars. The SSA funds receive a significant annual cost of living adjustment, which is why the Division believes it has the capacity to redistribute funding without issue. *The Department identified this request as theory-informed.*

**R8 DVR ADJUSTMENT TO EFI APPROPRIATION:** The Department requests a net-zero reallocation of FTE within DVR to provide clarification on federal match funding in the Long Bill. The request is to move 4.0 FTE in the Employment First Initiative line item to the Personal Services line item. This is because all other FTE in the Employment First line item are eligible for the federal match rate in their funding, and this line has an (M) notation. These 4.0 FTE are programmatic and were added through budget decisions, and the funding that supports them is ineligible for the federal DVR match. This is a technical change to ensure DVR is reporting accurate funding amounts eligible for the federal match, and may need to also be amended in the FY 2023-24 Long Bill. Staff would also like to the Committee to consider the role of the (M) note with this request, and whether it is a necessary mechanism moving forward.

**R9 ILC COMMON POLICY PROVIDE RATE ADJUSTMENT:** The Department requests an ongoing increase of \$132,085 General Fund for a provider rate increase of 2.0 percent for the Independent Living Centers in FY 2024-25 and ongoing. If the Committee approves R7, this request would not be impacted because the provider rate adjustment is only applied to the General Fund in the line. This decision item is linked to actions the Committee takes on the Community Provider Rate common policy.

**CENTRALLY APPROPRIATED LINE ITEMS:** The request includes adjustments to centrally appropriated line items for the line items summarized in the table below. *These request items will be addressed in separate staff briefings for Compensation Common Policies, the Department of Personnel, and the Governor's Office.*

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$12,736,941	\$870,877	\$4,710,395	\$44,042	\$7,111,627	0.0
PERA direct distribution	2,004,645	180,588	884,982	9,840	929,235	0.0
ALJ services	1,295,866	3,571	1,282,711	0	9,584	0.0
Health, life, and dental	1,162,658	111,108	594,057	13,816	443,677	0.0
Leased space	866,791	86,657	476,622	0	303,512	0.0
Paid family and medical leave insurance	624,126	54,492	277,810	3,121	288,703	0.0
AED	516,804	148,842	79,494	(569)	289,037	0.0
SAED	516,804	148,842	79,494	(569)	289,037	0.0
Workers' compensation	59,321	2,466	17,482	172	39,201	0.0
Capitol Complex leased space	38,501	4,676	26,102	0	7,723	0.0
Short-term disability	16,776	4,629	2,795	(60)	9,412	0.0
Risk management & property adjustment	13,606	542	3,829	65	9,170	0.0
IT Accessibility	(3,481,855)	(850,617)	(1,541,765)	(30,989)	(1,058,484)	(1.0)
Payments to OIT	(1,258,804)	(298,668)	(566,936)	(13,612)	(379,588)	0.0

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
CORE adjustment	(212,389)	(1,285)	(59,726)	(233)	(151,145)	0.0
Legal services	(18,615)	(4,397)	(7,296)	0	(6,922)	0.0
<b>TOTAL</b>	<b>\$14,881,176</b>	<b>\$462,323</b>	<b>\$6,260,050</b>	<b>\$25,024</b>	<b>\$8,133,779</b>	<b>(1.0)</b>

**ANNUALIZE PRIOR YEAR LEGISLATION:** The request includes a net increase of \$4.9 million total funds to reflect the FY 2024-25 impact of bills passed in previous sessions, summarized in the table below.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB23-1283 Transfer refugee services to ONA	\$6,147,800	\$0	\$0	\$0	\$6,147,800	1.6
SB23-105 Equal pay for equal work	350,750	350,750	0	0	0	4.1
SB23-111 Public employees workplace protection	103,139	103,139	0	0	0	1.0
SB23-058 Job application fairness act	79,307	79,307	0	0	0	1.0
HB23-1076 Workers comp	74,453	0	74,453	0	0	1.6
HB23-1212 Promotion of apprenticeships	14,599	14,599	0	0	0	0.7
HB23-1198 Teacher externship program	12,585	12,585	0	0	0	0.3
SB23-231 Overdue wage claims	3,389	0	3,389	0	0	0.0
SB23-172 Workers rights act	0	0	0	0	0	0.0
HB23-1246 Support in-demand workforce	(1,218,206)	(1,218,206)	0	0	0	0.1
SB22-140 Experiential learning	(357,307)	(357,307)	0	0	0	(5.5)
HB23-1074 Study workforce transitions	(294,228)	(294,228)	0	0	0	0.1
SB23-292 Labor requirements energy construction	(27,182)	(27,182)	0	0	0	0.0
SB23-017 Additional uses paid sick leave	(17,203)	(17,203)	0	0	0	0.0
SB23-261 Direct care workforce stabilization board	(2,327)	(2,327)	0	0	0	0.1
<b>TOTAL</b>	<b>\$4,869,569</b>	<b>(\$1,356,073)</b>	<b>\$77,842</b>	<b>\$0</b>	<b>\$6,147,800</b>	<b>5.1</b>

**NON-PRIORITIZED DECISION ITEMS:** The request includes \$1.3 million in non-prioritized decision items including \$169,359 General Fund, summarized in the table below.

NON-PRIORITIZED DECISION ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
NP Central services omnibus request	\$1,297,106	\$169,697	\$594,439	\$16,627	\$516,343	0.0
CORE Operating resources	16,660	101	4,685	18	11,856	0.0
NP1 Annual fleet vehicle request	(5,573)	(439)	(3,105)	(20)	(2,009)	0.0
<b>TOTAL</b>	<b>\$1,308,193</b>	<b>\$169,359</b>	<b>\$596,019</b>	<b>\$16,625</b>	<b>\$526,190</b>	<b>0.0</b>

**INDIRECT COST ASSESSMENT:** The request includes a net increase of \$17,258 total funds for the Department's indirect cost assessment.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The request includes a net decrease of \$476,698 total funds to reflect the FY 2024-25 impact of budget decisions made during previous sessions, summarized in the table below.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY23-24 BA1 Rides and devices program staffing	\$22,107	\$22,107	\$0	\$0	\$0	0.0
FY23-24 BA2 Disability employment first	1,195	1,195	0	0	0	0.2
Prior year salary survey	0	(1)	1	0	0	0.0
FY23-24 R2 UI fraud prevention	0	0	0	0	0	0.0
FY21-22 Veterans service to career	(500,000)	0	(500,000)	0	0	0.0
<b>TOTAL</b>	<b>(\$476,698)</b>	<b>\$23,301</b>	<b>(\$499,999)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.2</b>

## SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

**ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS:** This issue summarizes the impact of recent one-time funding authorized for the Department including \$42.4 million originating as state General Fund and \$684.0 million originating as federal Coronavirus State Fiscal Recovery funds (ARPA funds).

**UNEMPLOYMENT INSURANCE UPDATE:** This issue provides background information on recent changes to and the current status of the State Unemployment Insurance program, as well as discusses the Governor's proposed budget balancing mechanism utilizing the Employment Support Fund.

**OFFICES IN CDLE – NEW AMERICANS AND FUTURE OF WORK:** This issue provides background information on the Offices of New Americans and Future of Work, discusses request items related to the offices, and lays out a potential restructure with these two offices carved out as separate subdivisions.

## FOR MORE INFORMATION

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